

Program helps turn ambitions into reality

People get help saving
for homes, businesses

By Christopher Schnaars
Daily Press

YORK

Tammy Griffin used to pay \$800 a month for utilities and the two-bedroom apartment in Grafton where she lived with her 17-year-old son. For years, the single mother thought about trying to buy her own house, but saving enough money for the down payment and closing costs just seemed out of reach.

About a year ago, Griffin heard about a state program offered in York County. The Virginia Individual Development Account program was set up to help low-income people like Griffin save up enough money to buy a house, go to college or start a business. Griffin signed up.

Less than two weeks ago, she and her son moved into their new house.

"The concept is to help lower-income individuals build assets," said Louellen Brumgard, associate director of the Virginia Department of Housing and Community Development. "That's very important to long-term economic success."

In 1998 state legislators set aside \$100,000 each for pilot programs in York County, Blacksburg, Lynchburg, Abingdon and Waynesboro. York County has 18 people in its program.

Only about five people have finished the program statewide, including Griffin and another York County woman who managed to save enough money to buy a computer to continue her education.

"I believe that it has given many of the participants a feeling of confi-



Please see **Program/C2**

Program

Continued from C1

dence that they may not have had," said Yvonne Moore, a housing specialist in the county's housing office.

The program requires people to come up with a plan to save at least \$28 a month that goes into a trust account, so participants can't withdraw the money. For every \$1 that a participant saves up to \$2,000, the state will chip in \$2, or as much as \$4,000. That means that a participant can finish the program with as much as \$6,000.

After Griffin finished paying for her 1996 Nissan Sentra late last year, she began to funnel what used to be a \$202 car payment into her savings account. In a few months, the program turned her \$1,000 into \$3,000 — enough to cover closing costs for her house in the Lackey section of York County.

Griffin works for a small Williamsburg company that sells porcelain figurines, furniture and other home acces-



Joe Fudge/Daily Press

Tammy Griffin of York moved into her home last month in the Lackey section of York as part of a state funded program that helps people by matching funds. Tammy used the program to buy her first home.

sories. She said the program gave her the wherewithal to put aside a little money each month until she had enough for a house.

"A lot of these folks don't even have basic financial literacy," Brumgard said. "They may have never had a savings

account or a checking account." Through the state program, 67 people statewide have set up trust accounts to save money for their goals.

Moore said that though money from the state helped low-income people in the program, participants also

Want to know more?

York County has enough money to help five to 10 more people through the Virginia Individual Development Account program, but that money could disappear if it's not used by April.

The program teaches low-income parents how to save and manage their money. It also provides \$2 — up to \$4,000 — for every \$1 that they save during the program to buy a home, continue their education or start a business. The program is open to low-income people who live, or own a small business, in York County or are county employees.

For more information on eligibility, call the county's housing office at 890-3885.

received training. Everyone who goes through the program must take 10 weeks of financial-management training. And participants have five to 10 more weeks of training, depending on their goals. Those who want to buy a home, for example, take classes that include work-

ing with a real estate agent, credit repair and home maintenance. Griffin said that training helped when she had to go through the mound of paperwork to buy her house.

"It didn't feel as intimidating as I think it would have been," she said.

Moore said that all but one of the trainers in York County was a volunteer. That means that more of the \$100,000 from the state can be used to match people's savings, she said.

Erica Woodley is going through the program now. She started nearly two years ago and almost has the \$2,000 maximum in her savings account. She said she hoped to start her own cleaning business by early 2003. The program, she said, taught her money management and other business skills that she'll need to run her own business:

"It's given me a positive look in the future."

Christopher Schnaars can be reached at 247-4768 or by e-mail at cschnaars@dailypress.com